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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

GARY PIERCE – Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

IN THE MATTER OF THE APPLICATION
OF PARK WATER COMPANY, INC. FOR
APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02353A-10-0242

PROCEDURAL ORDER

BY THE COMMISSION:

On June 15, 2010, Park Water Company, Inc. ("Park Water" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates and charges, using a test year ending December 31, 2009. Park Water's application requests an increase in rates of \$26,319 over total test year revenues of \$70,191.

On July 14, 2010, the Commission's Utilities Division ("Staff") filed a Letter of Deficiency stating that Park Water's application had not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On July 29, 2010, and August 19, 2010, Park Water filed responses to Staff's Letter of Deficiency and Data Request.

On August 26, 2010, Staff filed a Letter of Sufficiency in this docket stating that Park Water's application had met the sufficiency requirements as outlined in A.A.C. R14-2-103 and that Park Water has been classified as a Class D utility.

On September 29, 2010, Park Water filed a Request for Extension of Time. The Company requested an additional 60 days to amend its application to include the plant that was financed with the Water Infrastructure Finance Authority ("WIFA") emergency surcharge. The Company stated that completion of the plant was imminent and that the plant would be placed into service as soon as the required testing and Arizona Department of Environmental Quality ("ADEQ") approvals were obtained.

On October 20, 2010, the Company filed an amended request for an extension of time

1 requesting waiver of the time clock so that the Company could complete the plant and obtain the
2 required testing and ADEQ approvals. Park Water's amended request also stated that Park Water
3 needed the cash flow that will be generated from the plant to help pay the WIFA loan requirements as
4 well as to pay for unforeseen emergencies. Staff indicated that it did not object to the Company's
5 request to waive the time clock.

6 On October 22, 2010, by Procedural Order, a Procedural Conference was scheduled for
7 November 8, 2010, to discuss the approximate timeframe for the Company to file its amended
8 application, and given the timeframe for filing the amended application, whether the 2009 test year is
9 appropriate. The Procedural Order also suspended the time clock temporarily.

10 On November 8, 2010, the Procedural Conference was held as scheduled. Staff appeared
11 through counsel, and Patricia O'Connor, President of Park Water, appeared telephonically on behalf
12 of the Company. During the Procedural Conference, Ms. O'Connor stated that she believed the
13 Company could file its amended application within a week and that all testing and ADEQ approvals
14 would be completed within the next 30 days. Given the timeframe discussed by the Company, Staff
15 stated that using the 2009 test year would save the Company two to three months administrative
16 review and because Staff believed the 2009 and 2010 test year numbers would be similar, the 2009
17 test year was still appropriate. At the conclusion of the Procedural Conference, Staff was directed to
18 make a filing updating the Commission on the status of Staff's review of the Company's amended
19 application within the next 30 days.

20 On November 9, 2010, by Procedural Order, Staff was ordered to file a Status Report
21 updating the Commission on Staff's review of the Company's amended application by December 10,
22 2010.

23 On December 10, 2010, Staff filed a Status Report stating that Park Water had failed to
24 include with its amended application some of the supporting documentation (invoices) for the new
25 plant put into service. Except for the missing invoices, Staff stated that the amended application and
26 supplemental filing was sufficient. Staff recommends that the Staff Report on the amended
27 application be filed 60 days after Staff received the remaining missing invoices.
28

1 On January 5, 2011, by Procedural Order, Staff's request was granted, and the timeclock
2 remained suspended.

3 On February 22, 2011, Staff filed a Notice of Receipt of Documentation and Request to
4 Restart the Timeclock ("Notice"). In its Notice, Staff stated that it had received all missing invoices
5 as of February 10, 2011, and that Staff would file a Staff Report on or about April 11, 2011.

6 On April 11, 2011, Staff filed a Staff Report recommending approval of the rate application
7 and recommending that Park Water re-notice its customers showing Staff's proposed rates.

8 On April 28, 2011, by Procedural Order, Staff's request to restart the timeclock was granted.

9 On May 4, 2011, Staff filed a Notice of Errata correcting information contained in the Staff
10 Report.

11 Park Water has not filed proof of having re-noticed its customers. Thus it appears that Park
12 Water has not provided notice to its customers showing Staff's recommended rates. It is appropriate
13 for Park Water customers to receive notice of the Company's proposed rates and Staff's
14 recommended rates and to allow them time to file comments in this docket.

15 IT IS THEREFORE ORDERED that Park Water shall provide notice to its customers in the
16 following form and style:

17 **PUBLIC NOTICE IN THE MATTER OF THE**
18 **APPLICATION OF PARK WATER COMPANY, INC.**
19 **FOR APPROVAL OF A RATE INCREASE.**
(DOCKET NO. W-02353A-10-0242)

20 On June 15, 2010, Park Water Company, Inc. ("Park Water" or "Company") filed with
21 the Arizona Corporation Commission ("Commission") an application for an increase
22 in its water rates and charges, using a test year ending December 31, 2009. Park
23 Water's application requests an increase in revenues of \$26,319 or 37.50 percent over
24 unaudited test year revenues of \$70,191. The Company's proposed rates would
25 increase the typical residential bill with a median usage of 4,917 gallons from \$33 to
26 \$48.20, for an increase of \$15.20, or 46.1 percent. The Commission's Utilities
27 Division ("Staff") has issued a Staff Report recommending approval of Park Water's
28 application. Staff recommends a \$40,145 or 56.95 percent increase in revenues over
Staff-adjusted test revenues of \$70,491. Staff's recommended rates would increase the
typical residential bill with a median usage of 4,917 gallons from \$33 to \$43.58, for an
increase of \$10.58, or 32.1 percent.

A copy of the rate application and the Staff Report are available at Park Water's
offices [insert address] and at the Commission's offices at 1200 West Washington
Street, Phoenix, Arizona, for public inspection during regular business hours, and on
the internet via the Commission website (www.azcc.gov) using the e-docket function.

1 The final rates approved by the Commission may be higher or lower than those
2 proposed by the Company or Staff.

3 Customers are advised that the Commission may act upon the Company's rate
4 application without a hearing. Customers may file written public comments regarding
5 the rate application and/or the Staff Report. For a form to use and instructions on how
6 to e-mail comments to the Commission, go to
7 <http://www.azcc.gov/Divisions/Utilities/consumerservices.asp>. Written public
8 comments may also be submitted by mailing a letter referencing Docket No. W-
9 02353A-10-0242 to: Arizona Corporation Commission, Consumer Services Section,
10 1200 West Washington Street, Phoenix, Arizona 85007. If you require assistance,
11 you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-
12 4251.

13 Written public comments will become a part of the record in this proceeding and will
14 be reviewed as part of the Commission's final decision on the application. **Customers**
15 **should file any written public comments with the Commission within 15 days of**
16 **the receipt of this notice.**

17 IT IS THEREFORE ORDERED that Park Water shall send via U.S. Mail, a copy of the above
18 notice, and Staff's proposed Rate Design, attached hereto as Exhibit A, to each of its customers in its
19 service area on or before June 13, 2011.

20 IT IS FURTHER ORDERED that Park Water shall file certification of mailing as soon as
21 practicable after mailing has been completed, but not later than June 20, 2011.

22 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing
23 notwithstanding the failure of an individual customer to read or receive the notice.

24 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
25 Communications) continues to apply to this proceeding and shall remain in effect until the
26 Commission's Decision in this matter is final and non-appealable.

27 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
28 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 27th day of May, 2011.

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YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed
2 this 21st day of May 2011, to:

3 Patricia M. O'Connor, President
4 PARK WATER COMPANY, INC.
5 P.O. Box 16173
6 Phoenix, AZ 85011

7 Janice Alward, Chief Counsel
8 Legal Division
9 ARIZONA CORPORATION COMMISSION
10 1200 West Washington Street
11 Phoenix, AZ 85007

12 Steven M. Olea, Director
13 ARIZONA CORPORATION COMMISSION
14 1200 West Washington Street
15 Phoenix, AZ 85007

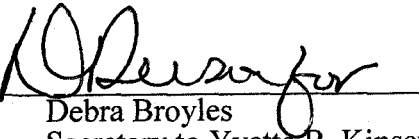
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By: 
Debra Broyles
Secretary to Yvette B. Kinsey

EXHIBIT A

Park Water Company
Docket No: W-02353A-10-0242
Test Year Ended: December 31, 2009

Schedule BCA-4

RATE DESIGN

	Present	Company	Staff
Monthly Usage Charge	Rates	Proposed	Recommended
5/8" x 3/4" Meter	\$20.00	\$30.00	\$ 25.00
3/4" Meter	30.00	40.00	25.00
1" Meter	50.00	60.00	62.50
1½" Meter	80.00	100.00	125.00
2" Meter	150.00	200.00	200.00
3" Meter	250.00	300.00	400.00
4" Meter	400.00	450.00	625.00
6" Meter	600.00	650.00	1,250.00
Gallons in Minimum	0.00	0.00	0.00
<u>Commodity Charge (Per 1,000 gallons over minimum)</u>			
<u>Company Proposed - All Sizes</u>			
First Tier - 0 - 1,000 gallons	\$ 2.60	\$ 3.20	
Second Tier - 1,001 - 5,000 gallons	2.60	3.75	
Third Tier - 5,001 - 20,000 gallons	3.56	5.35	
Fourth Tier - Over 20,000 gallons	4.25	6.50	
<u>Staff Recommended - All Sizes</u>			
First Tier - 0 - 3,000 gallons			3.00
Second Tier - 3,001 - 9,000 gallons			5.00
Third Tier - Over 9,000 gallons			8.50

	Company's		Staff Recommended		
Service Line and Meter Installation Charges	Present Rates	Proposed Charges	Service Line Charges	Meter Charges	Total Charges
5/8" x 3/4" Meter	\$450.00	\$575.00	\$435.00	\$ 140.00	\$ 575.00
3/4" Meter	500.00	680.00	435.00	245.00	\$ 680.00
1" Meter	600.00	775.00	480.00	295.00	\$ 775.00
1½" Meter	800.00	1,020.00	530.00	490.00	\$ 1,020.00
2" Meter	1,400.00	1,875.00	830.00	1,045.00	\$ 1,875.00
3" Meter	2,000.00	2,715.00	1,045.00	1,670.00	\$ 2,715.00
4" Meter	3,100.00	4,160.00	1,490.00	2,670.00	\$ 4,160.00
6" Meter	5,700.00	6,500.00	1,950.00	4,550.00	\$ 6,500.00

<u>Service Charges</u>			
Establishment	\$20.00	\$30.00	\$25.00
Establishment (After Hours)	30.00	35.00	NT
Reconnection (Delinquent)	20.00	30.00	\$25.00
Reconnection (Delinquent after hours)	30.00	40.00	NT
Meter Test (If Correct)	15.00	20.00	\$20.00
Deposit	*	*	*
Deposit Interest Per Annum	*	*	*
Re-Establishment (Within 12 Months)	**	**	**
NSF Check	20.00	30.00	\$25.00
Deferred Payment - Per Month	***	***	1.50%
Meter Re-Read (If Correct)	10.00	15.00	\$15.00
Late Payment Charge-Per Month	1.50%	1.50%	1.50%
Service Charge (After Hours)	N/A	N/A	\$35.00

<u>Monthly Service Charge for Fire Sprinkler</u>			
4" or Smaller	\$0.00	\$0.00	***
6"	0.00	0.00	***
8"	0.00	0.00	***
10"	0.00	0.00	***
Larger than 10"	0.00	0.00	***

- * Per Commission Rules (R14-2-403.B)
- ** Number of months off system times the monthly minimum (R14-2-403(D).
- *** 2.00% of monthly minimum for a comparable size meter connection but no less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

NT = No Tariff